



**Lease Agreement/Renewal
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 41
AGENDA DATE: Thu 07/29/2004
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SUBJECT: Authorize negotiation and execution of a twelve (12) month lease renewal for approximately 75,794 square feet of land located at 608 East Cesar Chavez Street, Austin, TX, from WALLER CREEK ELEVEN LTD., Austin, TX, for use by the Austin Convention Center parking, in an amount not to exceed \$331,832.04.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$40,305.34 is available in the Fiscal Year 2003-2004 Approved Operating Budget of the Convention Center Department. Funding for the remaining ten months of the original contract period is contingent upon available funding in future budgets.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Public Works
DEPARTMENT: for Convention Center;

DIRECTOR'S
AUTHORIZATION: Sondra Creighton

FOR MORE INFORMATION CONTACT: Dean Harris, 974-7061; Larry Anderson, 404-4055; Laura Bohl, 974-7064

PRIOR COUNCIL ACTION: June 29, 2000-original lease approved; June 27, 2002-lease renewal approved.

BOARD AND COMMISSION ACTION: N/A

PURCHASING: N/A

MBE / WBE: N/A

Completion of the Convention Center Expansion will create an increase in the demand for parking to meet the needs of Convention Center attendees. Delays in the construction of the proposed expansion parking garage will also contribute to the need for additional parking. The proximity of this ground lease site to the Convention Center makes it suitable for use as parking to help meet this need.

The City has leased this tract since August 1, 2000, and the current expiration date is July 31, 2004. The proposed terms for the 75,794 square foot ground lease are the same as the previous two years, as follows: \$20,152.67 base rent per month for the 12 month term, plus reimbursement to Lessor of property taxes. Property taxes are estimated at \$90,000 and have been included in the requested authorization.

Based on an updated review of land values and return rates for ground leases, the proposed rental rate continues to appear reasonable.